



KINETIC MINES AND ENERGY LIMITED

力量礦業能源有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code : 1277. HK)

Kinetic Mines Announced its 2017 Annual Results Scaled New Heights in Revenue and Earnings

2017 Annual Results Financial Highlights:

- Revenue increased by 66.4% to RMB1749.5 million;
- Gross profit margin increased to 45.6%;
- Hit record high net profit of RMB540.0 million.;
- EBITDA increased by 135.2% to RMB902.5 million.
- Basic earnings per share amounted to RMB0.064;
- The Board of Directors proposed a final dividend of HKD0.03 per share, representing a full year dividend of HK\$0.04 in 2017.

(21 March, 2017, Hong Kong) A leading integrated coal provider in China - **Kinetic Mines and Energy Limited** (“Kinetic Mines”) and its subsidiaries (the “Group”) (Stock Code:1277.HK) is pleased to announce its consolidated results for the year ended 31 December 2017 (the “Reporting Period”).

During the Reporting Period, Kinetic Mines has maintained a strong growth momentum and achieved a remarkable result. For the year ended 31 December 2017, the Group recorded a total revenue of RMB1749.5 million, representing a significant increase of 66.4% compared with the same period last year. The Group recorded a record high net profit of RMB540.0 million for the year ended 31 December 2017, representing an increase of 291.0% compared with the same period of last year. In addition, the increased average selling price of coal products per tonne and the decreased cost of sales of coal products, helped the

Group's gross profit margin increased to 45.6%. With the sound growth in revenue and profit, the Group's basic earnings per share amounted to RMB0.064. Meanwhile, the Group achieved a substantial growth in its cash flow with an EBITDA reaching RMB902.5 million. The Board of Directors proposed to pay a final dividend of HK\$0.03 per share to its shareholders, representing a full year dividend of HK\$0.04 in 2017.

For the year ended 31 December 2017, the Group sold a total of approximately 3.68 million tonnes of coal products, representing a period on period increase of 35.3%. In addition, the average selling price of the coal products increased to RMB476 per tonne (net of value added tax), representing an increase of 23.0% period on period.

Mr. Zhang Li, Chairman and Executive Director of Kinetic Mines stated: In 2017, the Group has maintained a strong growth of results, scaled new heights in revenue and earnings. Looking forward to 2018, the coal market will remain stable at the high level generally. Nevertheless, with the increasing control measures of national policies and the release of advanced production capacity, it is expected that the coal prices will have a slight decline, it is unlikely to experience a sharp reduction. It is expected that the PRC government will maintain a stable policy towards the coal industry, and the coal market will focus more on rational and healthy development in the future. As a leading company in terms of environmental protection, safety, technology and scale, Kinetic Mines is confident to achieve a steady and favorable development in its businesses including coal production, marketing and trading in future, thereby maintaining a steady cash flow and profit and creating the highest value for our shareholders.”

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About Kinetic Mines and Energy Limited

Kinetic Mines and Energy Limited ("Kinetic Mine" or the "Group", HKEX Stock Code: 1277) is a leading integrated coal provider in China covering in coal production, washing, loading, transportation and coal trading. Well-established business segments throughout the industry chain can optimize the Group's profit. In addition, thanks to the Group's large capital investment in the previous years, its "Dafanpu" is built as one of best coal mine in terms of safety and efficiency in China. This ensures the Group's production costs per tonne maintained at the lowest industry level. By leveraging the competitive edge of low cost and industry chain owned by the Group, Kinetic Mines is able to maintain a strong cash flow and profit in current coal market.